



ACI QUALITY TIMES

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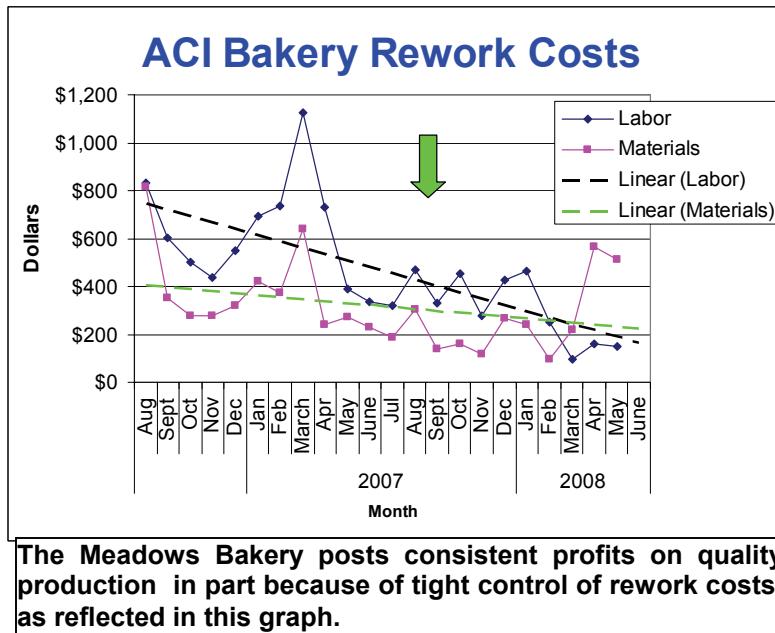
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ACI ENTERS TWO SHOPS FOR AQA RECOGNITION

Two ACI shops' quality efforts were entered in the Arizona Quality Alliance's 2008 Showcase in Excellence evaluation process. The Meadows Bakery, managed by Eddie Gonzalez, entered it's *Just-in-Time Institutional Bread and Bun Production*, which furnishes baked goods to ADC institutions throughout Arizona. Randy Bialkowski manages Perryville's

Print Shop, which nominated its *Forms Printing Customer Service Initiative*. Both shops were significant contributors to ACI's overall profitability in recent years.



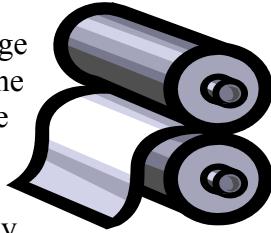
equivalent to the highly coveted Malcolm Baldridge Award, which is open to organizations nationally.

AQA's evaluation process assesses how well quality action is integrated into all of the nominee's activities, especially customer responsiveness. Winners must demonstrate a commitment to adapting to customer-driven change.

The Bakery application described introduction of a "heart healthy" bread product this year. The customer (ADC) required the changeover in a relatively short timeframe. Not only did the Bakery convert to the new menu quickly, but both staff and inmates have praised the taste. While the baking industry is highly competitive, ACI's Bakery

provides its output to ADC and other outside customers at less cost than would be possible from a free world source. The application included evidence of the difference.

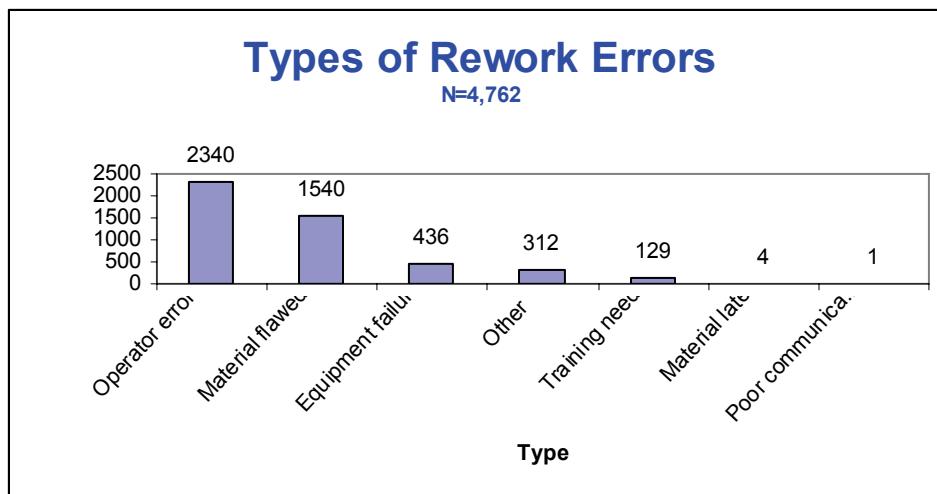
A highlight of Printing's application was forms production for large State agencies, such as the Department of Revenue and the Department of Economic Security. These agencies need massive volumes of quality printed matter, on-time. Print Shop management adopted a policy of close communication with customers to monitor their needs in 2004 and it's paid off handsomely.



Both nominated ACI shops demonstrated better business performance than other states' comparable correctional industries. Graphs included with the applications showed that most print and bakery operations lost money or had flat sales and earnings, although some posted greater revenues.

OPERATOR ERROR LEADS REWORK LIST

For FY08, ACI shops reported almost 4,800 rework incidents, at an annual cost of \$46,887. Significantly, acknowledging and addressing rework contributes to controlling production costs. Labor and materials figure in the equation and operator error can double the expense for both. One solution is to assure that everyone checks his/her own work and inspects the output of the last person in the process.



Flawed material holds second place in the listing of error types. This category includes deliveries from ACI vendors that fail to meet specifications

and can't be used for the intended purpose.

In recent months mis-matched fabric shipped to sewing shops contributed to the rejection level. The using shop can't always assess quality from a rolled fabric bolt. If different color shades are sewn together to make the specified length, no one knows until it's unrolled. Because of the differences in operations at shops, they all have unique reporting forms, but a common list of error codes to help analysis. Successful shops such as Bakery and Perryville Print include rework information in the job jacket as it progresses.

JUNE REWORK REPORT

WORK UNIT NAME	LABOR	MATERIAL	TOTAL
BAKERY	\$76.96	\$231.63	\$308.59
BEDDING	\$1.42	\$0.00	\$1.42
DATA FULFILLMENT	NO REWORK	\$0.00	\$0.00
DOUGLAS SEWING	\$0.33	\$515.92	\$516.25
FARM	-	\$20.25	\$20.25
FLORENCE UPH	NO REWORK	\$0.00	\$0.00
LEWIS FURN	NO REPORT		
METAL FAB	\$30.10	\$2,707.70	\$2,737.80
PERRYVILLE SEWING	\$3.30	\$9.33	\$12.63
PRINT SHOP	\$5.00	\$7.21	\$12.21
SIGN SHOP	NO REWORK		
TAG PLANT		\$9,956.84	\$9,956.84
WINSLOW	NO REPORT		
WOOD METAL	\$8.75	\$0.00	\$8.75
TOTALS	\$125.86	\$13,448.88	\$13,574.74

JUNE SAMPLING RESULTS

WORK UNIT NAME	INSPECTED	PASSED	TOTAL %
BAKERY	33,474	33,474	100%
BEDDING	4,527	4,527	100%
CONSUMER PRODUCTS	169	169	100%
COST ACCOUNTING	17	11	65%
CUSTOMER SERVICE	998.00	995	100%
DATA FULFILLMENT	1,472,668	1,472,668	100%
DOUGLAS SEWING	767	758	99%
FARM	8,556	8,475	99%
FLORENCE UPH	71	71	100%
LEWIS FURN	NO REPORT		
METAL FAB	3,655	3,655	100%
PERRYVILLE SEWING	385	385	100%
PRINT SHOP	908,200	908,200	100%
PURCHASING	184	172	93%
RETAIL OUTLET	23.00	23	100%
SIGN SHOP	689	689	100%
TAG PLANT	317,924	308,101	97%
WAREHOUSE	172,515	172,515	100%
WINSLOW	NO REPORT		
WOOD METAL	681	681	100%
TOTALS	2,925,503	2,915,569	97%

CCRs RELATED TO REWORK

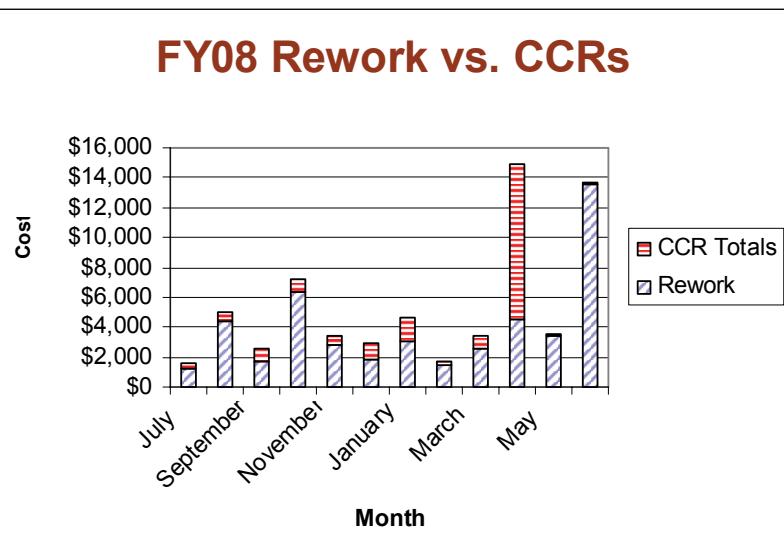
Rework led ACI's "do over" expense list last year, contributing \$66,894 in costs when combined with Customer Complaint Reports (CCRs). This chart illustrates the monthly relationship for FY2008.

For the year, CCR expense totaled \$20,007 compared to \$46,887 for rework.

Part of June's rework results reflected the fiscal year end rush at Rynning Tag Plant, which needed to manufacture 300,000 new digital license plates in one month. Because higher production volumes

often translate to more miscues, **Inmate Inspectors Williams and Richardson** had their hands full. Before the huge orders shipped to the Arizona Department of Transportation (ADOT), they identified \$9,957 in rework, which was corrected before ever reaching the customer. At times the production volume required two additional inspectors.

June CCRs were a minuscule \$162, comparable to the \$60 reported for May.



Monsoon Rains on ACI Central

Normally hot July Arizona weather turned wet at ACI on the morning of July 11. The Central Office facilities were damaged by an apparent microburst overnight. Staff immediately rolled up their sleeves (and pant legs) to mop up things and continue service to our customers.

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